

PROVINCE OF SASKATCHEWAN



08-09

ANNUAL REPORT

**MINISTRY OF
HIGHWAYS AND
INFRASTRUCTURE**

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Further information about the Ministry's key programs and this report can also be found online at:
www.highways.gov.sk.ca

Letters of Transmittal



His Honour, Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it please your Honour:

I respectfully submit the Annual Report of the Ministry of Highways and Infrastructure for the fiscal year ending March 31, 2009.

A safe, efficient and sustainable transportation system is critical to Saskatchewan's prosperity.

Nearly 70 per cent of provincial GDP is derived from exports and virtually all sectors of the provincial economy are heavily reliant on transportation services. As such, the provincial transportation system is uniquely positioned to create and sustain economic and social prosperity and to achieve our government's goals of growth, security and promises.

It is for this reason that our government has made numerous and significant commitments to transportation. I am pleased to report that in 2008-09, the first full fiscal year of our mandate, the Ministry has fulfilled all of these commitments.

The Ministry's 2008-09 expenditures dedicated to highways, roads and transportation infrastructure was 70 per cent greater than the provincial on-road fuel tax revenues. The commitment to invest \$140 million of the proceeds from the sale of the New Grade Upgrader was completed in this fiscal year – two years ahead of schedule. The provincial government also concluded a framework agreement with the federal government under the Building Canada Plan suite of programs that will see a further \$635 million invested in provincial and municipal infrastructure over seven years.

The Ministry published its first version of our Rolling Five-Year Capital Plan. Significant components of this plan are a Rural Highway Strategy that utilizes a clear, consistent and transparent formula for prioritizing investments in rural highway corridors, the Urban Highway Connector Program, and the initiation of discussions on the development of a Northern Transportation Strategy.

The Ministry is placing an emphasis on new construction technology and techniques by establishing the Saskatchewan Centre of Excellence for Transportation and Infrastructure at the University of Saskatchewan. This Centre will help to re-establish Saskatchewan as a North American leader in the construction, operation and management of transportation systems and infrastructure.

Based on these successes, the Ministry will continue to work strategically to improve the provincial transportation system in a manner that focuses on sustaining economic growth, enhancing motorist safety and maintaining organizational excellence.

A handwritten signature in dark ink, appearing to read 'Jim Reiter', with a long horizontal line extending to the right.

Honourable Jim Reiter
Minister of Highways and Infrastructure



Dear Sir:

I have the honour of submitting the Annual Report of the Ministry of Highways and Infrastructure for the fiscal year ended March 31, 2009.

In the past fiscal year, the Ministry made significant progress in improving the provincial transportation system. This past year, twinning of Highway 1 was completed and nearly 21 km of twinned highway was opened on Highway 11. The Ministry also completed 84 km of rural highway corridor upgrades, 397 km of repaving work and 35 bridge and culvert replacements. The Ministry also continues to strive for organizational excellence in fulfilling its mandates.

A handwritten signature in dark ink, appearing to read 'John Law', written in a cursive style.

John Law
Deputy Minister of Highways and Infrastructure

Introduction

The 2008-09 fiscal year was an exciting time for the Ministry of Highways and Infrastructure – it had the largest budget in history, started many new projects and received fresh direction from Saskatchewan's new government.

Throughout the year, the Ministry targeted capital investments, strategic maintenance and policy decisions to work towards achieving the government's goals of economic growth, security, and keeping promises. Exciting projects like the twinning of the Saskatoon to Prince Albert corridor continued, while others finished, such as the twinning of Highway 1 from border to border. New projects and programs were announced, such as the Global Transportation Hub, the Rural Highway Strategy, the Short Line Railway Sustainability Program and the Rolling Five-Year Capital Plan.

By looking back at 2008-09's initiatives and how they aligned with the growth, security, and keeping promises agenda, this annual report will assist in setting the stage for the 2010-11 planning and budget process. It will identify how the Ministry's building of roads, bridges, and a seamless transportation system is creating opportunities and benefits for Saskatchewan people.

The Annual Report for 2008-09 was written in a transition year and followed a similar format to the one written in 2007-08. With the release of the Ministry Plan for 2009-10, the Ministry of Highways and Infrastructure will report on publicly committed strategies and actions identified in its Plan within the 2009-10 Annual Report.

Further information about the Ministry's key programs and this report can also be found online at: www.highways.gov.sk.ca

Alignment with Government's Direction

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

- The Ministry's plans and programs align well with government's vision. The Ministry is investing in infrastructure to the benefit of the current economy as well as investing in infrastructure aligned with the future needs of a growing Saskatchewan.
- The Ministry is committed year-round to providing a safe and secure transportation network that ensures the smooth and expedient movement of people and goods.

Keep Government's Promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

- The Ministry of Highways and Infrastructure is pursuing partnerships with the federal government, urban communities, and rural municipalities in order to maximize support for infrastructure, as well as incorporating best practices to ensure financial and operational transparency and accountability.

Government's Goals

Sustain Economic Growth for the benefit of Saskatchewan People, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

- The Ministry of Highways and Infrastructure supports this goal through investing in an integrated rural highway system, urban highway connectors, new gateway transportation infrastructure, and developing northern transportation infrastructure. These initiatives foster growth in the resource sector and social mobility. The Ministry also invests in multi-modal infrastructure such as regional airports and short line rail.

Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.

- Saskatchewan is provided with a safe and reliable highway system by the Ministry of Highways and Infrastructure through effective maintenance and repaving, rehabilitating bridges and culverts, and utilizing targeted educational campaigns and enforcement activities for the transportation industry and the public.

Ministry Overview

The mission of the Ministry of Highways and Infrastructure (MHI) is to optimize the role of transportation as it relates to the economic and social development of Saskatchewan.

Saskatchewan's road network consists of 26,398 km of highways, including 9,644 km of asphalt concrete pavements, 4,888 km of granular pavements, 5,645 km of thin membrane surface (TMS) highways, 5,941 km of gravel highways, and 280 km of ice roads.

As of March 31, 2009, the Ministry had 1,572 FTEs stationed in 101 Saskatchewan communities. Ministry crews are responsible for most surface repair activities like crack filling, sealing, and patching. They provide snow and ice control, pavement marking, and gravel location services. Ministry crews also repair and replace signs, some small bridge and drainage structures, and operate the Saskatchewan River ferries and the 17 northern airports. Responsibilities for carrying out the Ministry's mandate are distributed among the Ministry's three divisions, plus Communications Branch.

Through its Operations Division, the Ministry is responsible for managing the Province's 26,398 km of highways, 794 bridges, 453 large culverts, 12 ferries, and 17 northern airports. This includes delivering preservation and operating programs for these assets. Operations Division manages all design and construction activities for contracted preservation and capital projects as well as operational and maintenance programs.

Operating the transportation system involves the delivery of a wide range of services to ensure the safe, orderly and efficient movement of people and goods. This includes pavement marking, signing, lighting, mowing, snow and ice control as well as ferry and airport operations. Related operational services such as traffic engineering, preservation and engineering services are provided. Also included is the enforcement of transportation legislation for the provincially-owned infrastructure and provincially regulated short line railways.

Operating the Province's highway network is facilitated by traffic counting and operational support services including developing and administering engineering standards and policies for road design, construction management, roadside development access management, traffic guidance, signing standards, road safety

(e.g. speed limits, access, etc) and utilization of aggregate resources. Professional and technical expertise is provided to rural municipalities concerning the municipal road network. The Ministry managed the Municipal Heavy Haul, Traffic Counting and Bridge Program for the Ministry of Municipal Affairs.

Preserving the transportation system involves preventative maintenance and management of provincial highways, bridges, airports and ferries to ensure a sustainable transportation system is available for the safe, orderly and efficient movement of people and goods. Paved, gravel and TMS highways are sustained through annual surface repair and preventative maintenance activities. Preventative maintenance and regular repair are also required to ensure bridges stay in service up to or beyond their design life.

Policy and Programs Division is responsible for developing the policy and third party programs that are implemented by the Ministry. A safe, efficient, and reliable transportation system directly and indirectly benefits all Saskatchewan residents. Saskatchewan's economy is dependent on trade which requires a competitive and globally accessible transportation system. Developing transportation policy includes working with other jurisdictions, industry stakeholders, and shippers to ensure that legislation and regulatory frameworks encourage efficiency and effectiveness throughout the system and among the transportation modes (road, rail, air, and marine). This includes developing new methods and technology to improve the movement of goods. Transportation planning includes working with stakeholders, such as Area Transportation Planning Committees and municipalities, in the pursuit of defining system needs and strategically investing transportation resources towards garnering economic and social returns for communities throughout the Province.

Corporate Services Division provides budgeting, programming, forecasting, and financial reporting as well as quality management systems, including geographical information systems to the Ministry. This division is responsible for the Information Management Office, performance management, enterprise risk management, technical and administrative services related to property acquisition and disposal. Communications Branch is responsible for strategic communications, education, and awareness programs aimed at promoting public and Ministry worker safety.

Key Stakeholders

The groups with a primary interest in working with the Ministry to improve transportation are:

Area Transportation Planning Committees (ATPC)

These committees provide local input on regional strategic transportation issues, and advise provincial or municipal governments on transportation issues based on social and economic goals of the area. There are 11 committees across the Province, which generally include representation from rural and urban municipalities, First Nations, Regional Economic Development Authorities (REDA), Saskatchewan Urban Municipalities Association (SUMA), Saskatchewan Association of Rural Municipalities (SARM), the Ministry, and other major regional stakeholder groups. The Ministry considers them a key stakeholder and works closely with individual ATPCs on local and regional transportation issues and with the ATPC Chairpersons Committee on a variety of broader provincial transportation issues.

Saskatchewan Association of Rural Municipalities (SARM)

SARM represents the interests of rural municipal governments in Saskatchewan. The Ministry considers SARM a key stakeholder for transportation issues related to rural Saskatchewan. The municipalities represented by SARM are also responsible for providing road infrastructure, and the Ministry works closely with SARM and rural municipalities to address road transportation issues at a local and regional level and grain transportation issues at a provincial and federal level.

Saskatchewan Urban Municipalities Association (SUMA)

SUMA represents the interests of urban municipal governments in Saskatchewan. The Ministry considers SUMA a key stakeholder for provincial transportation issues that impact urban Saskatchewan. Urban municipalities are also responsible for providing transportation infrastructure and the Ministry works with SUMA and urban municipalities to address local and jurisdictional transportation issues.

First Nations

The Northern Transportation Strategy will benefit First Nations in the northern region of Saskatchewan by providing year-round road access. Working with First Nations to build capacity in road building trades and to improve access to their communities will help fulfill Saskatchewan Highways and Infrastructure mandate to optimize economic and social development through the use of transportation networks.

Saskatchewan Heavy Construction Association (SHCA)

The SHCA represents Saskatchewan's road building and heavy construction industry on a federal, provincial and municipal level. They are a key service provider because their members complete the majority of the road construction activity tendered by the Ministry. The Ministry and SHCA work together to address issues related to industry capacity, construction standards and practices, contract delivery, construction quality, and material specifications.

Saskatchewan Aviation Council

The Saskatchewan Aviation Council (SAC) has been improving aviation in Saskatchewan for the past two decades. Today, SAC is the Province's single, most influential voice in aviation. The Ministry worked closely with SAC in the development of the Community Airports Program (CAP).

Consulting Engineers of Saskatchewan (CES)

CES represents the engineering consulting industry in Saskatchewan. The Ministry considers them a key stakeholder since their members provide technical transportation engineering consulting services, like transportation planning, environmental assessments, road design, construction management, and testing services on an annual basis.

Saskatchewan Trucking Association (STA)

The Saskatchewan Trucking Association represents the Saskatchewan trucking industry. The Ministry considers them a key stakeholder since their members are key users of the provincial highway system. The Ministry consults the STA on provincial and inter-provincial vehicle weight and dimension regulations and other trucking policy issues.

Saskatchewan Short Line Railway Association

The Saskatchewan Short Line Railway Association is an organization of all of the provincial short line railways with the goal of identifying and addressing common issues and challenges facing this transportation sector. The Ministry has worked closely with the Saskatchewan Short Line Railway Association in the development of the Short Line Railway Sustainability Program.

Canadian Council of Motor Transport Administrators (CCMTA)

The CCMTA is a non-profit organization comprising representatives of the provincial, territorial and federal governments of Canada which, through the collective consultative process, makes decisions on administration and operational matters dealing with licensing, registration and control of motor vehicle transportation and highway safety. It also comprises associate members whose expertise and opinions are sought in the development of strategies and programs.

Canadian Automobile Association (CAA)

CAA represents provincial motorists who are primary users of the provincial highway system. The Ministry considers them a key stakeholder because they are an organized group that represents a segment of provincial motorists.

Progress in 2008-09

Significant Achievements in 2008-09

Commit \$1.8 billion over four years to rebuild Saskatchewan's highways and transportation infrastructure (Minister's Mandate Letter)

- The 2008-09 budget positioned the government to exceed its four-year funding commitment to transportation infrastructure by \$250 million.

Invest in Gateway Corridors to contribute to economic growth and improve transportation logistics (2008-09 Budget Summary)

- Twinning Highway 1 east - December 5, 2008 it was publicly announced that the Ministry has completed the twinning of the Trans-Canada Highway across Saskatchewan. The new lanes were opened to traffic on November 6, 2008.
- Initial progress is being made on the Global Transportation Hub through property purchase and the first tender awarded to Pasqua Paving for the access road to the facility. The Ministry is currently proceeding with the detailed design phase for the West Regina Bypass between Highway 1 and Dewdney Avenue, including the interim roadway location that will provide access to the Global Transportation Hub while the West Regina Bypass is constructed. Construction of the interim roadway is planned to commence in 2009. The Ministry advanced payment of \$10 million to the City of Regina for supporting sewer and water infrastructure.
- The Lewvan interchange functional and detail designs at Highway 1 in Regina were substantially completed. The Ministry will be proceeding with utility moves and construction in 2009-10.
- Highway 11 Twinning – 20.65 km of twinning was opened to traffic in 2008-09 between Warman and Hague. The section north of Macdowall to Junction Highway 2 is targeted for completion in 2009-10. A grading project north of Hague to south of Rosthern was tendered and is expected to be completed in 2009-10.

Invest in rural highways to support economic growth and public safety (2008-09 Budget Summary)

- In 2008, 84 km of rural highways were upgraded under the Rural Highway Strategy. There is 129 km of work in progress that is planned to be completed in 2009.
- The Ministry entered into agreements with eight municipalities to receive funding under the Municipal Resource Road Program. This program invested \$5 million to assist with damage to municipal roads affected by heavy oil haul in the northwest part of the Province.

Invest in the Urban Highway Connector Program to connect urban centres to the global transportation network and assist with mitigating transportation bottlenecks (2008-09 Budget Summary)

- The Ministry implemented the Urban Highway Connector Program (UHCP) and has interest from 35 communities to proceed with agreements. Four communities have signed the framework agreement, seven communities have agreed to join the program through signed project agreements and there are an additional 10 communities where active discussions are underway towards signing a framework agreement. The Ministry is working with a further 14 communities in providing advice and additional information for their consideration of the program.
- The Ministry advanced \$106.15 million in third party capital payments to Urban Communities for roadway projects in February 2009.

Invest in the Northern Transportation Strategy by developing partnerships with industry and northern residents by: (2008-09 Budget Summary)

- Continuing work on Wollaston Lake Access road:
 - Environmental approval was granted for the proposed work on Highway 995 Wollaston Lake Road. The Ministry completed the centre line clearing on the Wollaston Lake access road. Work continues on analyzing procurement options for the delivery of the remaining portions.

- Continuing improvements on northern access roads including: Highway 106 near Puskwakau River, Highway 155, Highway 924 Dore Lake Road, and Highway 956 Garson Lake Road.

- The Ministry completed 37.6 km of grading and 27 km of paving on northern access roads.

- The Ministry is developing a Northern Transportation Strategy that will include a prioritized plan for the upgrading of northern provincial highways.

Invest in short line infrastructure to help sustain the Province's thriving economy and support future economic growth

- The Short Line Railway Sustainability Program is a program that provides grants to provincial short line railways in order to sustain track infrastructure. This program has committed a total of \$500,000 in conditional grants to five different applicants.

Assist regional airports to enhance urban, rural and Aboriginal communities

- Through the Community Airport Partnership Program, the Ministry provided nine grants worth a total of \$500,000 to community airports which, through the 50/50 stipulation, will generate \$1 million in airport rehabilitations.

Support effective stewardship of the system through preservation activities including:
(2008-09 Budget Summary)

Repaving

- The Ministry planned to complete 431 km of repaving in 2008-09. As of March 31, 2009, the Ministry completed 397 km of paved highway in the Province. The remaining 34 km of work in progress will be completed in 2009.

Bridges and Culverts

- The Ministry planned to complete 32 bridge and culvert replacement/upgrades. As of March 31, 2009, the Ministry completed 35 capital bridge and culvert replacements/upgrades.

Ensure all of the fuel tax collected in the Province is dedicated to highways, roads and transportation infrastructure (Minister's Mandate Letter)

- The 2008-09 expenditures dedicated to highways, roads and transportation infrastructure was equivalent to 70 per cent greater than the fuel tax revenues collected.
- This is an increase of 42 per cent over last year's expenditures to fuel taxes collected.

Deliver on our government's commitment to dedicate \$140 million over four years to municipal road and highway infrastructure from the proceeds of the New Grade Upgrader (Minister's Mandate Letter)

- The Ministry received approval to accelerate expenditures of \$140 million from the New Grade Upgrader sale proceeds from four years to two years.
- \$70 million was dedicated to municipal road and highway infrastructure in 2008-09.
- \$35 million invested in long-term projects for future economic growth such as the Global Transportation Hub, infrastructure near Yorkton, and new interchanges at Swift Current and Regina.
- \$35 million invested in primary weight corridors to support the Rural Highway Strategy.

Progress by Key Program

1. Operation of Transportation System

Program Delivery

This program provides for the safe access and operation of the transportation system through the delivery of a range of services including pavement marking, signing, lighting, mowing, winter snow and ice control, ferry and airport operations, information technology management and systems support and compliance with transportation laws. It also provides related operational services such as engineering standards, traffic engineering, and testing services. This program ensures that the Ministry operates the transportation system properly to ensure a safe and efficient transportation system.

Results

Develop a Transportation Centre of Excellence created through a partnership between the Ministry and the Province's post-secondary institutions (Minister's Mandate Letter)

- The Minister of Highways and Infrastructure launched the development of the Saskatchewan Centre for Excellence in Transportation and Infrastructure on May 9, 2008. The first meeting of the Board of Directors was held in December 2008.

Provide seven days per week, 98 per cent reliable airport services at the 17 provincial airports

- The Ministry achieved 99.6 per cent reliable airport services at the 17 provincial airports.

Provide seven days per week, 98 per cent reliable ferry crossing service on the provincial highway system

- The Ministry achieved 96.8 per cent reliable service in the 2008 operating season. Due to increased down-time in 2008-09 as a result of drive cable repairs at Riverhurst and high water levels from late May to mid-June, the Ministry did not reach its targeted goal.

Continue to participate in "Roadcheck" and "Operation Air Brake" annual international safety inspection events, and plan strategic enforcement activities to reduce commercial vehicle collisions and promote commercial vehicle safety and regulatory compliance

- The Ministry participated in Roadcheck on June 3-4, 2008. The Ministry inspected 486 trucks with 8.9 per cent of the trucks being placed out of service and 0.2 per cent of the drivers being placed out of service.
- The Ministry participated in Operation Air Brake on May 7, 2008. The blitz was held at Yorkton, Marshall and Estevan. The Ministry inspected 204 units, 4.9 per cent of these units were placed out of service for their brakes being out of adjustment.

Operate static and portable weigh scales to promote compliance with weight regulations and prevent overweight commercial vehicles from operating on the provincial highway system

- The 2008 Annual Spring and Fall Weight Survey were conducted in Estevan, Moosomin, Melfort and Langham. The Ministry checked 1,734 vehicles with 8.4 per cent found to be overweight.

Work with public private partners to balance transportation with social and economic needs

- The Ministry will work with the Public Private Partnerships (P3) Secretariat to develop policies that will support and create opportunities with industry and the federal government for potential P3 opportunities. P3s may be a component of the Provincial Northern Transportation Strategy that will be under development and if included, will be considered in the 2010-11 Budget process.
- The Ministry will continue to review the Short Line Rail Policy and the Transportation Partnership Fund (TPF). The curtailment of trucking program revenue and depletion of the Canada Agriculture Infrastructure Program (CAIP) funding required the Ministry to initiate a review of the TPF and its relation to short line development.

Continue the accreditation process through the Commission on Accreditation for Law Enforcement Agencies (CALEA)

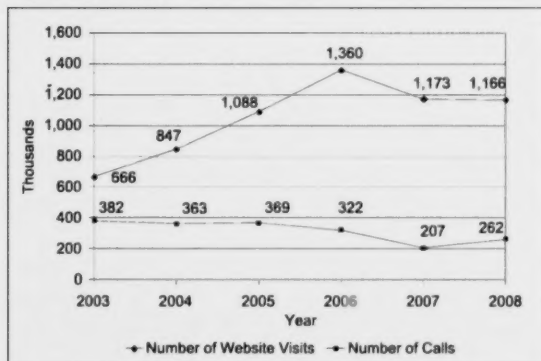
- The Ministry assessed 420 out of 446 standards associated with CALEA accreditation process. A mock assessment was completed by certified assessors to gain feedback on Transport Compliance Branch's (TCB) readiness for a full accreditation assessment.
- In 2008-09, 267 of 463 CALEA standards were applicable to TCB's functions. Of the 267, 178 standards were reviewed and met.

Provide reliable Highway Hotline Services with less than 10 hours of total downtime between November 1 and April 1

- The Ministry's Road Information Service including the Road Condition Information on the website and on the Interactive Voice Response (IVR) was under the tolerance level for the period November 1, 2008 to April 1, 2009; however the service did encounter downtime for a total of 5 hours.

Measurement Results

Number of calls and website visits to the Highway Hotline



Data Source: Ministry of Highways and Infrastructure

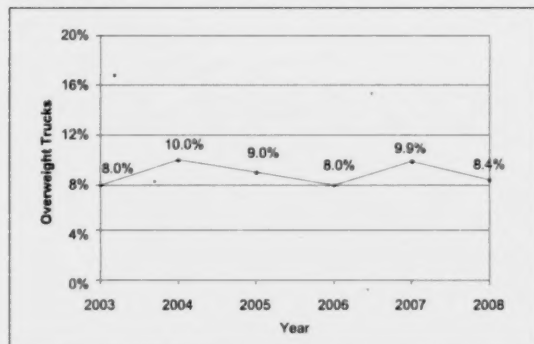
The Highway Hotline provides information about the transportation system to the traveling public, business and industry. Motorists can access the Hotline through the Ministry's website. The information provided most frequently applies to highway driving conditions, both summer and winter. Other information, such as weight restrictions, ferry information, and clearances of bridges and structures is also available.

The Ministry saw a slight decrease in website visits to the Highway Hotline information with 1,165,678 website visits. The number of calls to the Highway Hotline increased to 262,208 in 2008. The number of calls and website visits to the Highway Hotline are indicators of public awareness of this service. By increasing awareness of highway conditions, highway users can make informed decisions on travel, resulting in safer travel and reduced accident and injury rates.

The Ministry is able to influence the profile of the Highway Hotline by promoting it through major media campaigns, such as Snow Zone, Orange Zone and public relations activities. The Ministry is responsible for regularly updating road condition information on the hotline to keep it relevant, which will attract repeat calls or website visits. However, the Ministry has little influence over whether or not people choose to take precautions as a result of consulting the hotline.

Measurement Results

Per cent of overweight trucks on the highway system



Data Source: Ministry of Highways and Infrastructure – Transport Compliance Branch

Truck traffic continues to increase on the highway system. A certain percentage of these trucks will be overweight and cause more damage to the highway system. This performance measure allows the Ministry to monitor the effectiveness of its policies and enforcement actions in reducing the number of overweight vehicles.

A random sampling process has been developed to monitor the per cent of overweight vehicles. The performance measure is calculated by dividing the number of overweight vehicles identified at random inspections by the number of total vehicles inspected during the same random inspections.

While this does not provide a statistically valid representation for the entire Province, it will allow progress to be monitored in a cost effective manner.

In 2008-09, 8.4 per cent of the trucks on the provincial highway system were overweight. This result is not considered to be significantly different from the previous year. Variances of one or two per cent in any given year are indications of a strong enforcement presence. As more data is gathered, the trend line will provide an indication of whether changes are part of a long-term trend or caused by inherent variability in the random sampling process.

The Ministry has a high level of influence over this performance measure; the Ministry can increase its weight compliance activities by increasing transport compliance resources, combined with shipper liability legislation. An increased weight compliance presence on the provincial highway system should decrease the amount of overweight vehicles because there is a higher chance overweight carriers will be caught. Transport Compliance Branch continues to develop strategies that, over the long term, will decrease the non-compliance rate. Strategies include a balance between weight, dimension, safety, registration, licensing, enforcement, and education efforts.

Measurement Results

*Ratio of partnership trucking
fleet collision rate compared to
the Saskatchewan commercial
trucking fleet* 1: 11.69

This measure compares the collision rate of trucks that take part in the Ministry's Transportation Partnership Program (TPP) to the rate of the regular Saskatchewan commercial fleet. The Ministry sets higher operating standards and requirements for trucks operating under partnership agreements than the average truck on the provincial highway system. This assists in monitoring the effectiveness of the TPP standards in promoting truck safety, and reducing collisions, which increases transportation efficiency.

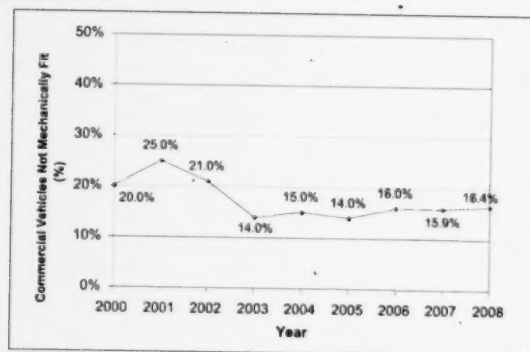
In 2007, trucks under the TPP were involved in one collision for nearly every 12 in the Saskatchewan commercial trucking fleet. The ratio has improved considerably from 2006, where trucks under the TPP were involved in one collision for every eight in

the Saskatchewan commercial trucking fleet. This is the second year this measure has been used. Previously the TPP collision rate was compared to the Canadian average; however the current method is a more meaningful comparison.

The Ministry relies on data from SGI to calculate this measure, and there is always a one-year time lag. The Ministry cannot influence the provincial commercial trucking collision rate. However, the Ministry develops the standards and policies required for vehicles and operators involved in the TPP. The Ministry monitors and enforces these policies and standards to ensure compliance in the TPP.

Measurement Results

*Per cent of commercial vehicles inspected that
are not mechanically fit and have been placed out
of service*



Data Source: Ministry of Highways and Infrastructure –
Transport Compliance Branch

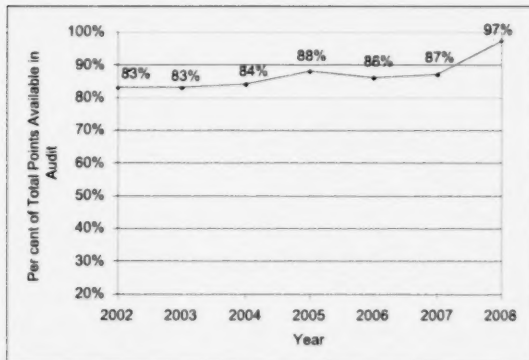
This is an indication of the success of the Ministry's safety communications messaging and enforcement efforts by monitoring the change in commercial vehicle safety rates. Using the results of the Commercial Vehicle Safety Association (CVSA) inspections, it measures the per cent of commercial vehicles that are not mechanically fit and are still operating on the highway system.

In 2008-09, 16.4 per cent of vehicles inspected through CVSA inspections and the Road Check event were not mechanically fit and placed out of service. This result is slightly higher than the previous year. The Ministry is committed to education and safety compliance efforts to reduce the number of unsafe commercial vehicles operating on the provincial highway system.

The Ministry has some influence over this performance measure by increasing transport compliance resources, increasing the effectiveness of communication, and focusing efforts on commercial vehicle safety inspections. These activities, in conjunction with weight compliance activities, enhance the importance and profile of commercial vehicle safety for Saskatchewan carriers, which should help reduce the number of unsafe trucks on the provincial highway system.

Measurement Results

Yearly average results of contractor traffic accommodation work zone audits



Data Source: Ministry of Highways and Infrastructure – Engineering Standards Branch

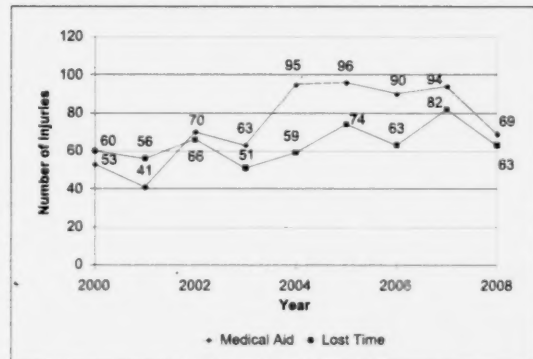
This measures the effectiveness of Ministry staff and contractors in providing a safe work zone. A higher annual work zone average indicates that the Ministry and contractors are doing a better job of ensuring work zones are safe for workers and motorists. Increased compliance with standard traffic control measures in work zones will reduce the number of traffic accidents in work zones and protect highway workers.

In 2008-09, the yearly average for a work zone audit was 97.3 per cent. The higher percentage may be attributed to fewer audits conducted in 2008-09 compared to the 15 or more audits in previous years. The Ministry has a high level of influence in this performance measure. The Ministry develops the contractor specifications, which stipulate the work zone traffic accommodation requirements. While the contractor is responsible for traffic accommodation in the work zone, the Ministry generally has a representative on each construction site to enforce the work zone traffic accommodations requirements.

There are many factors like weather, driver behaviour, and driver alcohol use that are beyond the Ministry's control but influence work zone traffic safety. The Ministry's standards and procedures for maintaining safe work zones will reduce the risk that work zone accidents will occur and mitigate the impact of any incidents that do occur.

Measurement Results

Number and severity of at-work injuries



Data Source: Ministry of Highways and Infrastructure – Occupational Health and Safety Statistics

Medical aid accidents are those in which the Ministry employee required medical aid after the accident and returned to work on the next shift. Lost time accidents are accidents in which the injured Ministry employee required a visit to a health practitioner and is not able to return to work on the next shift.

In 2008-09 there were 69 medical aid accidents and 63 lost time accidents, which was 25 and 19 less than the previous year, respectively. The decrease in accidents may be attributed to the increased awareness and understanding towards safety within the Ministry. Safety meetings, safety sessions, additional training in high risk areas of jobs, as well as increased safety supervision by managers and supervisors were also factors in promoting safety in the Ministry.

The Ministry's safety programs and policies influence the number of accidents, but there can be significant annual variations. The Ministry has instituted enhanced occupational health and safety policies, which increased awareness among staff for reporting medical aid accidents. The Ministry also has an aging workforce which contributes to an increase in the number of reported back and muscle strains/injuries.

2. Preservation of Transportation System

Program Delivery

This program provides preventative maintenance on highways and bridges. It provides delivery, planning, engineering and management of the preservation and capital construction programs. It also includes road and bridge engineering services for municipalities and support for area transportation planning on a regional basis. The preservation of the transportation system is vital to ensure that the level of investment and level of service coincide with a growing economy.

Results

Preserve the provincial paved highway network by providing routine, light and medium preservation treatments as guided by asset management principles to optimize expenditures

- The Ministry completed routine treatments at a cost of \$29.5 million;
- Improved 451 km with light treatments at a cost of \$10.3 million; and
- Improved 436 km with medium treatments at a cost of \$25.7 million.

Resurface 431 km of paved highway

- An increase of 29 km to the planned accomplishment was added through extensions of work contracts bringing the total planned length to 431 km. 145 km on the National Highway System (NHS) and 252 km on rural highways were repaved. In total the Ministry resurfaced 397 km of paved highways.

Measurement Results

Per cent of National Highway System and rural highways in "good" condition

	2008	2007
National Highway System	94%	94%
Rural Highways	75%	73%

By measuring the networks in "good" condition, the Ministry will show progress toward the desired result of maintaining or improving the surface condition of paved surfaces on the National Highway System and rural highways.

In 2008-09, 94 per cent of the National Highway System and 75 per cent of rural highways were in "good" condition.

To determine if a pavement is in good condition, the Ministry uses a combined measurement of the road's rutting and ride, which is based on measurements and analysis conducted by the Ministry. On pavements rated "good", the road user would experience a smooth, comfortable ride with minimal ponded water in the wheel paths.

Factors such as contractor progress, fluctuating input costs, and the length of the construction season are outside the Ministry's control, but influence the results of this measure.

Measurement Results

<i>Per cent of kilometers resurfaced on the National Highway System to meet the targeted life cycle</i>	2008	2007	2006
	5.4%	4.5%	2.9%

This measure demonstrates the Province's ability to effectively manage the National Highway System (NHS) on a long-term life cycle basis. Timely preventative maintenance will extend the life of a pavement and minimize the life cycle costs. Preventative maintenance treatments fix rutting and surface condition and prolong the life of the highway by extending the length of time before a more expensive and extensive resurfacing is required.

In 2008-09, the Ministry rehabilitated 5.4 per cent of the NHS to meet the targeted life cycle. The NHS is made up of 2,700 km of roads that link Saskatchewan to regional, national and international economies and markets. In total, the Ministry resurfaced 145 km of the NHS in 2008-09.

It is important to note that the decision to resurface a highway is driven by surface condition not pavement age. Prudent infrastructure management dictates that there should always be some pavements beyond the expected life of a pavement if environmental, traffic, and material characteristics allow a pavement to perform better than expected. The Ministry is currently reviewing its preservation policy to meet the needs of the Province.

Although the Ministry develops the provincial highway improvement strategy, this strategy is affected by a number of factors outside the Ministry's control. These factors include weather and environmental considerations. Within this context, the Ministry strives to develop a provincial highway improvement strategy that maximizes the benefits of all expenditures and works toward providing a safe, efficient transportation system.

3. Infrastructure Enhancements

Program Delivery

This program provides for new construction or upgrading of provincial highways and bridges and other transportation infrastructure capital by utilizing in-house and contracted resources. It also provides for municipal partnerships in the reconstruction of provincial highways. This program contributes to the economic growth of the Province and ensures proper upgrades and investments in key economic corridors.

Results

Place an emphasis on quality construction and the implementation of new highway construction technology designed to meet the demands of Saskatchewan's climate and large scale truck traffic (Minister's Mandate Letter)

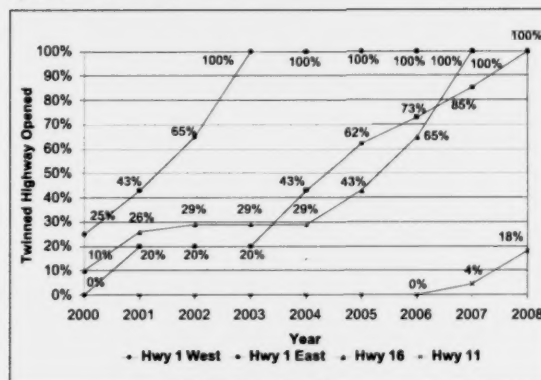
- The Ministry is committed to work with the Saskatchewan Centre for Excellence in Transportation and Infrastructure to implement new construction technologies to meet the provincial demands.
- The Ministry is committed to organizational excellence by improving efficiencies through implementation of quality and project management programs.

Advance the expansion of the primary weights road system

- Upgraded 44.16 km of primary weight highway in 2008-09.

Measurement Results

Cumulative per cent of twinned highway opened to traffic



Data Source: Ministry of Highways and Infrastructure – Corporate Support Branch

The cumulative percentage of twinned highway opened to traffic is an indicator of progress in delivering twinning commitments. When a portion of twinning for a corridor opens to traffic, it contributes to the cumulative percentage opened for that corridor. The performance measure is calculated by dividing the cumulative length opened for traffic for each corridor by the length to be completed for each corridor. When the twinning on a corridor is completed, its cumulative percentage opened to traffic is 100 per cent.

In 1997, the Province committed to complete twinning Highway 1 and 16 between North Battleford and Lloydminster on these specific timelines:

- Highway 1 west (108 km) complete in 2008;
- Highway 16 west (103 km) complete in 2010; and
- Highway 1 east (168 km) complete in 2012.

In 2001-02, the Province committed to accelerate the twinning of Highway 1 west so it would be completed in 2004. On March 5, 2003 the Province and federal government announced a funding partnership that would complete twinning as follows:

- Highway 1 west in 2003 (now completed);
- Highway 16 between North Battleford and Lloydminster in 2007 (completed in 2007); and
- Highway 1 east in 2007 (completed on November 6, 2008).

For 2008-09:

- 20.65 km of twinning was opened to traffic on Highway 11 between Warman and Hague.

The Ministry has a high level of influence over this performance measure because it is responsible to develop a schedule which will complete the twinning within the identified time frame. Weather and contractor progress can, however, influence performance results in any given year.

Measurement Results

*Cumulative per cent of
planned primary weight
expansion completed* 43%

The Ministry has a Rural Highway Strategy and new policy for prioritization of upgrading highways to primary weight. Expansion of the primary weight network in Saskatchewan is a key component of the Rural Highway Strategy and for a competitive provincial economy. Having access to a primary weight highway network is a significant efficiency gain for many businesses. An expanded primary weight system will also support existing economic activities, encouraging further development in these rural areas. Beyond cost savings to producers and shippers, concentrated truck haul on primary weight corridors will reduce pressure on other rural highways and fewer truck journeys result in lower levels of green house gas emissions.

This measure indicates progress on the Ministry's plan to increase the amount of highways available at primary weights. In July 2006, the Ministry implemented the first phase of primary weight expansion by allowing 1,190 km of highways to haul primary weights for nine months of the year. In the second phase of primary weight expansion the Ministry planned to expand the primary weights by 1,734 kms bringing the total planned expansion to 2,924 km. The total kilometres of primary weight highways as of March 31, 2009 are 9,625.

4. Transportation Policy

Program Delivery

This program provides for transportation policy and program development. It also provides for improvements to the efficiency of Saskatchewan's transportation system by pursuing lower transportation, handling and storage costs for agriculture and other industries as well as

developing new methods for the safe movement of goods. It also includes trucking program management, technical advice to short line railways and regulation of provincial railways. This program ensures that the transportation policy and program development contributes to provincial growth and strong communities in Saskatchewan.

Results

Promote transportation as a key driver for provincial economic growth and prosperity

- The Ministry has implemented the Rural Highway Strategy. This strategy prioritizes investments for rural highways based on a set of rational and objective criteria, and a transparent process. Through the development of the Rural Highway Strategy the Ministry has made a significant expansion of the primary weight network.
- The Ministry initiated discussions concerning the development of a Northern Transportation Strategy with stakeholders.
- The Ministry developed and delivered the Community Airport Partnership for Saskatchewan.
- The Ministry participated in the development of an air transportation strategy.
- The Ministry provided policy support to border communities for developing trade corridors, such as Action Southwest.
- To address restrictions on international shipping containers, the Ministry submitted a paper to the federal Department of Finance supporting the removal of restrictions placed by Customs Tariff 9801.

Develop a regulatory regime that supports economic development through harmonization, efficiency and public safety

- The Ministry amended the permit fees in the vehicle weight and dimension regulation to support the issuance of annual permits for oversize loads.
- The policy to allow carriers to obtain permits for oversize loads which reduced the administrative burden for carriers was introduced in 2008-09.
- A permit for long wheelbase truck tractors hauling livestock to the U.S. was introduced to address a lack of Canadian carrier capacity.
- Several weight and dimension permit policies to reflect industry requirements and improve harmonization were updated.

- The Ministry met with various industry groups to discuss permit availability and to address issues with obtaining permits.
- A draft version of a regulatory package was prepared to amend the Vehicle Weights and Dimension Regulations, 1999. The package will go forward to seek Cabinet approval in 2009.
- The Ministry consulted with western provinces on permit and regulatory policy to improve harmonization and remove impediments to industry.
- The Montana-Saskatchewan Accord study on harmonization was initiated and a draft was reviewed with senior leaders.

Develop a framework for mitigating the barriers to trade and the efficient movement of goods

- The Ministry represented the Province on the Bi-National Committee for assessing the economic impacts of border policy, rules and legislation study.
- The Ministry, with other jurisdictions, began contributing to a study on the economic impacts on transportation of the U.S.-Canada border; however, the economic recession has altered the course of the studies and impact assessments.

Lead strategic policy development and coordination at inter-jurisdictional and bilateral forums to promote strong federal and provincial relationships

- The Ministry prepared Vehicle Weight and Dimensions Memorandum of Understanding agreements and policies with western region provinces and other Canadian jurisdictions on permit and regulatory policy to improve harmonization and remove impediments to industry.
- The Ministry actively participated in the Policy Planning Support Committee (PPSC) task forces to generate reports for the Canadian Council of Deputy Ministers.
- The Ministry reinforced relationships with northern border states by actively working within the Montana-Saskatchewan Accord; however, the completion of the Montana-Saskatchewan Accord has been delayed due to the economic recession.
- A Transport Ministers strategic plan was prepared by the Canadian Council of Deputy Ministers responsible for transportation and public safety and the Western Transport Ministers Secretariat of

the PPSC. The release of the draft has been delayed due to scheduling issues.

Develop strategic policy direction through federal transportation review processes that reflects Saskatchewan's economic and social development interests

- An in-depth review of the Canadian Transportation Act was completed and the statute was enacted.
- The Ministry initiated discussions with Agriculture respecting the Railway Level of Service Review; however, development has been delayed due to federal processes.

Negotiate with the federal government to increase federal funding for road, highway and infrastructure investment (Minister's Mandate Letter)

- The Building Canada Plan Infrastructure framework agreement was signed between Canada and Saskatchewan on April 11, 2008 and commits the federal government to invest \$635.44 million in Saskatchewan over 7 years.
- The Highway 1 and Lewvan Drive Interchange project was announced on April 11, 2008 and commits the contribution of \$16 million in federal funding through the Building Canada Fund Major Infrastructure Component.
- In 2008-09, the Ministry finalized the Provincial-Territorial Based Funding agreement and the Province will receive \$175 million over a period of seven years.
- The Ministry initiated the development of the Saskatchewan Infrastructure Plan that is a signature document establishing a comprehensive infrastructure plan for Saskatchewan.
- The Ministry announced that the twinning of Highway 11 from Saskatoon to Prince Albert will be accelerated with federal funding of \$62 million and the Highway 39 Estevan Truck Bypass Project with federal funding of \$17 million (both are Major Infrastructure Components of the Building Canada Fund).
- The Ministry will continue to negotiate with the federal government to finalize agreements for funding and specific projects announced under the Building Canada Plan suite of programs.

5. Strategic Municipal Roads

Program Delivery

This program provides for partnership project initiatives that facilitate traffic management on the provincial transportation system. It also provides for strategic investments on First Nations access roads and municipal infrastructure as well as the short line railway program. This program ensures that partnership investments in transportation are made to contribute to growing and strong communities.

Results

Develop, implement and deliver effective transportation programs and services including, trucking, rail, municipal road and traffic information services that support and enable economic growth in Saskatchewan

- Transportation programs and services were delivered effectively as indicated by the following:
 - Trucking: Signed 209 new Trucking Transportation Partnership Agreements during this year.
 - Rail:
 - Assembled 2007 Border Crossing Statistics.
 - Creation and implementation of the 2008-09 Short Line Sustainability Program was completed.
 - Two study grants were given out to groups investigating the viability of purchasing and operating short lines on their respective branch lines under the Short Line Financial Assistance Program.
 - Great Sandhills Railway received a provincial loan under the Short Line Financial Assistance Program.
 - Evaluation of a low cost automated crossing protection system with Transport Canada is ongoing.
 - Safety standards and guidelines were reviewed and a new Industrial Railway Registration Form was created.
 - Municipal Roads:
 - The Ministry provided administration for the Heavy Haul/High Volume Program which was funded by Municipal Affairs.
 - \$5 million was invested in the Municipal Resource Roads Program to rebuild roads impacted by heavy oil truck traffic.

- The Ministry worked with the Ministry of Municipal Affairs and the Saskatchewan Association of Rural Municipalities to deliver the Clearing the Path Primary Weight Corridor initiative.

• Traffic Information Services:

- Published "2007 Traffic Volume Map."
- Published summary reports "2003-06 Axle Weight Loading and O_D Trends".
- Published "2008 Ferry and Seasonal/Winter Road Annual Report".

6. Central Management and Services

Program Delivery

This program provides direction and centrally-managed services in the areas of finance, geographical information, property acquisition and management, communications and other operational services that include head office and program-based accommodations required for the delivery of the Ministry's mandate. Central Management and Services is also responsible for the Information Management Office, Talent Management, Quality Management Systems and Enterprise Risk Management, as well as provides for major capital (facilities) improvements. This program ensures that program delivery occurs to meet the Ministry's promises and commitments.

Results

Establish a Rolling Five-Year Capital Plan for the Province's road construction and maintenance program to improve safety of the Province's highways and invest in infrastructure that supports economic growth (Minister's Mandate Letter)

- On December 3, 2008 the Ministry publicly announced the Rolling Five-Year Capital Plan for highway construction, including its five major components: Gateway Corridors, Urban Highway Connectors, the Rural Highway Strategy, a Northern Transportation Strategy, and an emphasis on highway system stewardship.
- The components linked together give Saskatchewan an integrated transportation system.

2008-09 Financial Overview

In 2008-09 the Ministry received its largest budget allocation to date, \$287 million for Vote 16 and \$226 million for Vote 17 for a total of \$513 million. In 2008-09 the Ministry's Vote 16 total variance from 2008-09 budget to 2008-09 actual expenditure can be primarily attributed to receiving supplementary estimates of \$122 million: \$99 million for Saskatoon's Circle Drive South, \$18 million to develop important urban roadway connections to the provincial highway system, and \$6 million for Winter Maintenance.

In Vote 17 the Ministry can carry funding for work in progress over to the next fiscal year. The Ministry's budget to actual expenditure variance is considered "work in progress" as these funds are required for project completion. The Ministry began 2008-09 with \$226 million in new funding and had \$73 million of work in progress from previous years. The Ministry ended 2008-09 with \$88 million of work in progress. Work in progress is a result of having a multi-year capital plan for major projects. This benefits the Ministry by allowing contractors to plan well in advance and secure workers and equipment which leads to better pricing from the industry, and results in a confident industry environment that leads to capacity growth.

Vote 17 also received \$4 million through supplementary estimates in 2008-09 to begin work on Highway 310 near Fishing Lake. This highway was badly damaged due to the construction of berms in response to previous-years flooding.

Expenditures

Program	2007-08 Actual (\$000s)	2008-09 Budget (\$000s)	2008-09 Actual (\$000s)	Variance 2008-09 Budget to Actual (\$000s)	Variance Explanation
Vote 16:					
Central Management and Services	16,896	20,596	19,849	(747)	
Executive Management	1,002	1,015	952	(63)	1
Central Services	4,367	5,334	4,789	(545)	1
Accommodation Services	11,527	14,247	14,108	(139)	2
Preservation of Transportation System	137,551	138,848	140,184	1,336	
Surface Preservation	128,102	127,954	129,887	1,933	3
Regional Services	9,449	10,894	10,297	(597)	1
Strategic Municipal Roads	23,223	27,867	139,212	111,345	
Municipal Resource Roads	4,999	5,000	4,989	(11)	
First Nations Roads Pilot Projects	3,463	5,000	4,160	(840)	4
Strategic Partnership Program – Road Management	3,546	2,600	2,251	(349)	5
Urban Connectors	0	12,500	117,687	105,187	6
Strategic Municipal Infrastructure	0	0	10,000	10,000	7
Canada Strategic Infrastructure Fund (CSIF)	6,548	0	0	0	
Canada-Saskatchewan Infrastructure Program (CSIP)	4,667	2,767	125	(2,642)	8

Program	2007-08 Actual (\$000s)	2008-09 Budget (\$000s)	2008-09 Actual (\$000s)	Variance 2008-09 Budget to Actual (\$000s)	Variance Explanation
Operation of Transportation System	90,721	87,076	96,821	9,745	
Winter Maintenance	25,527	24,229	30,831	6,602	9
Road Safety and Traffic Guidance	26,163	24,146	24,316	170	
Operational Services	23,124	21,858	24,273	2,415	10
Transport Compliance	5,032	6,118	5,806	(312)	11
Ferry Services	3,558	3,507	4,091	584	12
Airports	2,656	2,356	2,606	250	13
Information Technology Services	4,661	4,862	4,898	36	
Transportation Policy	1,467	4,077	3,851	(225)	14
Machinery and Equipment (Capital)	8,437	9,000	8,834	(166)	15
16 – Subtotal (Appropriation)	278,295	287,464	408,752	121,288	
Special Warrant		0			
Supplementary Estimates *		121,650			
16 – Subtotal (Appropriation)	278,295	409,114	408,752	(362)	
Capital Asset Acquisitions	(11,288)	(12,299)	(16,752)	(4,453)	16
Capital Asset Amortization	86,677	96,925	90,400	(6,525)	17
16 – Total Ministry Expense	353,684	493,740	482,400	(11,340)	
Custom Work Net Recovery	(281)	0	(209)	(209)	
16 – Total Custom Work Net Recovery	(281)	0	(209)	(209)	
Vote 17:					
Infrastructure Rehabilitation – includes 2007-08 carryover	46,799	110,284	84,963	(25,321)	18
Infrastructure Enhancements – includes 2007-08 carryover	123,158	192,223	130,033	(62,190)	18
Supplementary Estimates **		4,000			
17 - Total Ministry Capital Appropriation ***	169,957	302,507	214,996	(87,511)	
Total	448,252	711,621	623,748	(87,873)	

* The Ministry received supplementary estimate funding to fund the increased costs associated with snow removal and ice control for road safety, and to fund projects to develop the Global Transportation Hub and improve the flow of traffic through urban centres.

** The Ministry received supplementary estimate funding to rebuild Highway 310 to a primary weight highway.

*** Includes 2007-08 Vote 17 work in progress funding of \$72.795 million.

Explanations for major variances:

1. Decrease largely due to vacancy management and other savings.
2. Decrease in operating costs on Ministry occupied space.
3. Increase is associated with the completion of flood related work from 2007 flood.
4. Decrease is due to work in progress on projects to be completed in 2009-10.
5. Decrease in the amount of partnership projects executed in 2008-09.
6. Increase is due to advancements in funding for the Saskatoon Circle Drive South project and other projects within the Urban Highway Connector program.
7. Increase is due to advancements in funding for the Saskatchewan Global Transportation Hub.
8. Decrease is due to majority of projects in the program being completed by March 31, 2008.
9. Increased snow and ice control activity throughout the winter.
10. Increase in equipment operator training costs, fleet net replacement costs, and other operational program costs.
11. Reduced costs largely due to vacancy management savings resulting from change in staffing process.
12. Increase in ferry repair costs at various ferry sites.
13. Increase is due to additional preservation and winter maintenance costs incurred at Northern Airports.
14. Decrease is largely due to vacancy management and other program savings.
15. Decrease is due to assembly work not completed at March 31, 2009 and minor equipment purchases were delayed.
16. Increase in capital acquisition is largely due to the increase in culvert replacements and the replacement of equipment storage facilities.
17. Reduction in amortization is due to the yearend change in aggregate inventory value expense adjustment and an increase in work in progress in the completion of capital projects.
18. Variance is due to work in progress on various capital rehabilitation projects and enhancement projects. The projects are planned to be completed in 2009-10.

2008-09 Revenues

The Ministry collects revenue relating to sale of crown lands or material on behalf of the Government. The Ministry also collects revenue from the federal government to reimburse the Province for infrastructure improvements completed under the federal-provincial cost shared infrastructure programs. All revenue collected is deposited in the General Revenue Fund. Below is a summary of the Ministry's 2008-09 budgeted revenue compared to actual revenue.

Revenues	2008-09 Budget (\$000s)	2008-09 Actual (\$000s)	Variance (\$000s)	Variance Explanation
Sales, Services and Service Fees	1,374	3,002	1,628	1
Transfers from Federal Government	26,526	3,087	(23,439)	
Fed-Prov Cost Sharing Programs	25,036	102	(24,934)	2
Canada Strategic Infrastructure Fund	350	1,472	1,122	3
Border Infrastructure Fund	1,140	1,371	231	4
National Safety Code	0	142	142	
Transfers from Government Entities	1,000	1,335	335	5
Total	28,900	7,424	(21,476)	

Explanations of Major Variances:

1. Increase is largely due to an increase in revenue from sales of property and materials.
2. Provincial-Territorial Base Funding Agreement, under the Building Canada Plan, was not fully executed by March 31, 2009. Funding will be recognized in 2009-10.
3. Project work from 2007-08 was completed in 2008-09.
4. Project work from 2007-08 was completed in 2008-09.
5. Infrastructure capital assets transferred from the Transportation Partnerships Fund relating to an increase in capital project work completed by March 31, 2009.

2008-09 Full Time Equivalent Employees (FTE)

FTEs	
Budget	1,672
Actual Utilization	1,572
Variance	100

Explanations of FTE Variance:

The Ministry has had delays and challenges in staffing professional engineers and project manager positions; there has also been a significant retirement and resignation rate. The Ministry has recently completed a new staffing process for Transport Compliance Officer positions, working with the Saskatchewan Government Employees Union and the Public Service Commission to build additional requirements into the staffing process. The FTE utilization gap for the Transport Compliance program is expected to close in 2009-10.

Transportation Partnerships Fund

The Ministry is responsible for managing the Transportation Partnerships Fund (TPF).

The Ministry's Transportation Partnership Program (TPP) generated \$1.0 million in revenue for the TPF.

The TPF invested \$5.9 million on transportation system improvements in 2008-09 and the TPF balance was \$6.7 million on March 31, 2009.

For More Information

The Ministry is confident that this report provides useful information about its accomplishments and future plans. If you have any questions or comments, we invite you to call (306) 787-4804, or contact:

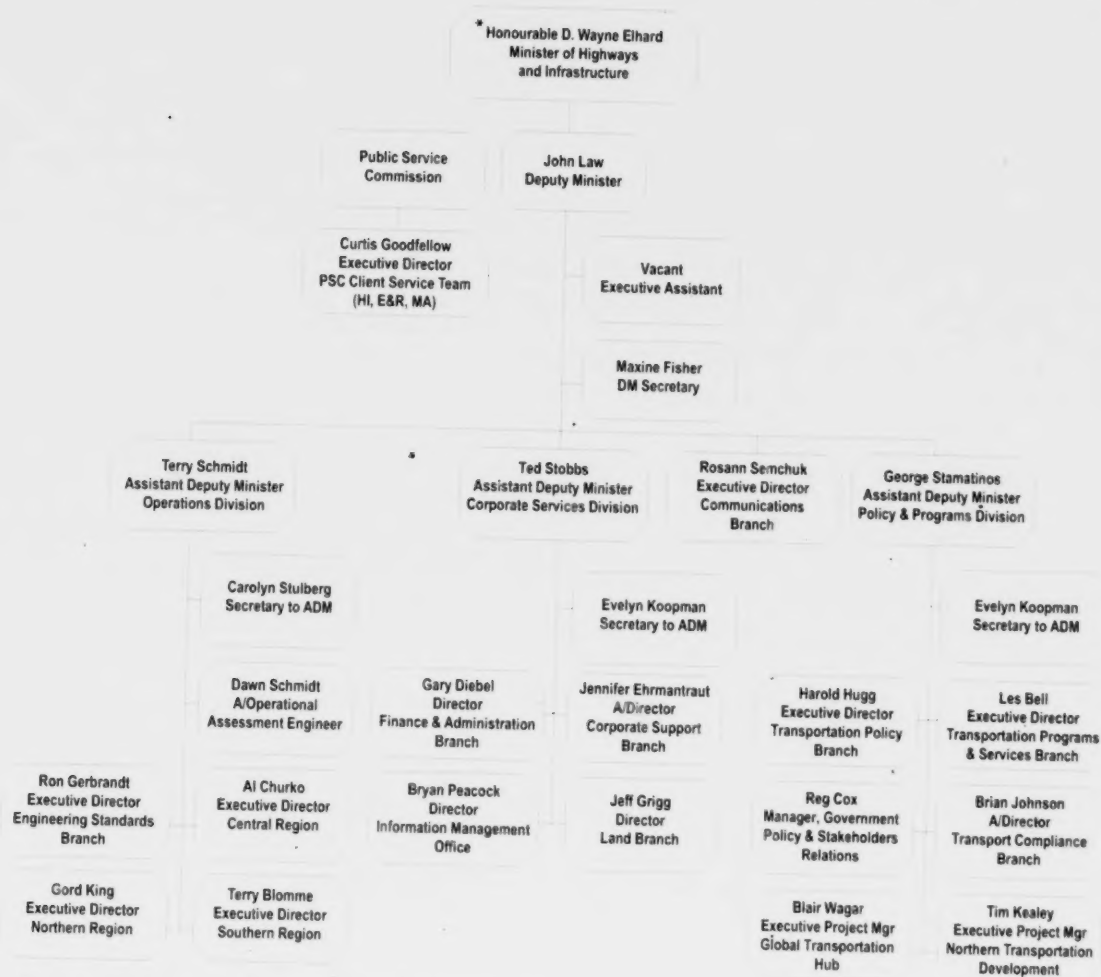
Communications Branch
1200-1855 Victoria Avenue
Regina, Saskatchewan S4P 3T2

Or send us an e-mail through the Saskatchewan Ministry of Highways and Infrastructure website:
<http://www.highways.gov.sk.ca>

Visit our website to find out about:

- Road Conditions and Travellers Information
- Construction Projects
- Saskatchewan Centre of Excellence for Transportation and Infrastructure
- Updated Tender Schedule

Appendix A – Organization Chart (as of March 31, 2009)



* On May 29, 2009, the Minister changed from Honourable D. Wayne Elhard to Honourable Jim Reiter

Appendix B – Loan Disclosure

The Ministry administers the Short Line Railway Financial Assistance Program. Under this program, the Province can provide municipalities or local community groups that want to preserve rail service in their area with an interest free loan for the capital acquisition of rail infrastructure which is being abandoned. The potential short line operator must have a business plan which demonstrates that the short line railway is feasible. The loan is repayable over 15 years, with a discretionary 3-year grace period.

To date, five loans have been made through this program. In 1999-00, a short line railway company applied for a \$177,000 provincial loan and a \$177,000 CAIP grant. Both were approved and agreements finalized.

In 2004-05 a producer-owned company received a loan in the amount of \$1.76 million for the purchase of a rail network in the southwest area of the Province. This loan was issued under the new regulations and funds were provided from the Transportation Partnerships Fund (TPF) and General Revenue Fund (GRF) on a 50/50 split.

In 2005-06, several local governments in southern Saskatchewan negotiated the purchase of a branch line. The local governments were granted a loan in the amount of \$240,000, with funding split between the TPF and the GRF.

In 2007-08, local governments in north-eastern Saskatchewan purchased a branch line and were granted a loan in the amount of \$256,000, with funding split equally between the TPF and GRF.

In 2008-09 local investors purchased a branch line in south-western Saskatchewan and were granted a loan in the amount of \$1,907,200 with funding split equally between the TPF and the GRF.

This loan program supports the Ministry's objective of a "transformed regional transportation network to meet the future needs of rural Saskatchewan." A short line railway reduces truck traffic since agricultural products are hauled long distances by rail, rather than by large trucks on the provincial highway system. Reducing the amount of heavy truck traffic helps the Ministry sustain the condition of rural TMS highways.

Short Line Railway Loans	2008-09 Budget (\$000s)	2008-09 Actual (\$000s)	Variance (\$000s)
Beginning Balance	1,102	1,194	93
Additions	750	953	203
Reductions	101	117	(16)
Ending Balance	1,751	2,030	279

Explanations of Major Variances:

The variance in actual additions to the budgeted amount of loans is a result of an anticipated application being delayed until 2009-10 and a different loan being advanced in 2008-09.

Appendix C – Legislation

The Minister of Highways and Infrastructure is responsible for the following Acts and Regulations:

The Highways and Transportation Act, 1997

The Wollaston Lake Barge Operation Regulations

The Controlled Access Highways Regulations

The Erection of Signs Adjacent to Provincial Highways Regulations, 1986

The Provincial Highways Designation Regulations, 1990

The Highways and Transportation Act Regulations (Autowreckers Licensing)

The Vehicle Weight and Dimension Regulations, 1999

The Security of Loads and Trip Inspection Regulations

The Dangerous Goods Transportation Act

The Dangerous Goods Transportation Regulations

The Engineering and Geoscience Professions Act

The Railway Act

The Final Offer Arbitration (Railway) Regulations

The Sand and Gravel Act

The Saskatchewan Grain Car Corporation Act

The Government Organization Act (not responsible for Act, three sets of Regulations)

The Short Line Railway Financial Assistance Regulations

The Ministry of Highways and Transportation Regulations

The Railway Line (Short Line) Financial Assistance Regulations (Enacted in June 2004)

